



**Director of  
Central  
Intelligence**

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# **National Intelligence Daily**

*Tuesday  
28 June 1983*

~~**Top Secret**~~

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## Results of Italian Parliamentary Elections Voting for Chamber of Deputies

Note: Data based on incomplete returns. Information as of 2048 EDT. 80.6 percent reporting.

Percentage of vote

50

40

30

20

10

1972

1976

1979

1983

Christian Democrats (DC)  
Communists (PCI)

Socialists (PSI)

Neo-Fascists (MSI)

Republicans (PRI)

Social Democrats (PSDI)

Liberals (PLI)

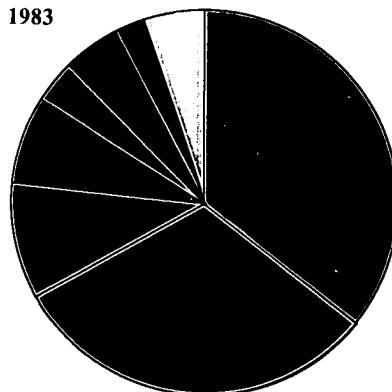
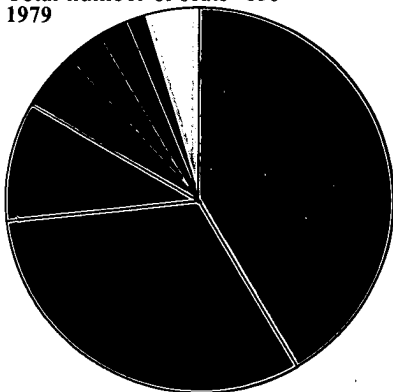
## Seats in Chamber of Deputies

Note: Final party seat numbers cannot be determined until returns are final to comply with technicalities of Italy's proportional representation system. Information as of 1834 EDT.

Total number of seats=630

1979

1983



- Christian Democrats (DC)
- Communists (PCI)
- Socialists (PSI)
- Neo-Fascists (MSI)
- Social Democrats (PSDI)
- Republicans (PRI)
- Liberals (PLI)
- Others

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**ITALY: Election Results**

*Major Christian Democratic losses in voting Sunday and yesterday will erode the party's dominance of Italian politics and are likely to result in political uncertainty and a renewed Communist bid for participation in government.* [REDACTED]

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According to nearly complete election returns, the Christian Democrats lost 5.6 percent from their total of 38.3 percent in 1979, while the Communists gained slightly from their total in the last election, leaving the two in a virtual tie. The Socialists, who precipitated the election in the hope of strengthening their bid for the prime-ministership, scored only modest gains. Of the other small government parties, only the Republicans of former Prime Minister Spadolini scored a significant increase, from 3 percent to 5.1 percent.

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**Comment:** The question of Communist participation in government is almost certain to emerge again. The Communists are likely to propose a government of "national solidarity," arguing as they did in 1978 that Italy cannot be governed without them. Even if they fail, their influence in parliament will be enhanced. [REDACTED]

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The unprecedented losses will throw the Christian Democrats into disarray. Party secretary De Mita is almost certain to be forced from his post in a bitter leadership struggle, and factional rivalries will be intense. The Christian Democrats, who have long been held together largely by their monopoly on patronage, will now face insistence from the other parties that they share the spoils. [REDACTED]

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With the weakening of the Christian Democrats, the Socialists and small lay parties will have more leverage in coalition negotiations. Socialist leader Craxi will be weakened, however, by his party's lackluster showing. There is a greater chance of a government headed by a technocrat or a prestigious minor party figure such as Spadolini. [REDACTED]

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The election results reflect public disgust with continued corruption in government, particularly by Christian Democrats. [REDACTED]

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The process of forming the next government probably will be long and chaotic. With the unsettling of the old political balances, governmental action on controversial issues, such as austerity measures and support for INF deployment, is also likely to be slow and difficult. [REDACTED]

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**FRANCE-CHAD-LIBYA: Reaction to Libyan Involvement**

*France may have decided to provide military aid to Chadian President Habre following the defeat of his forces at Faya-Largeau last Friday by Libyan-backed dissidents.* [redacted]

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The French military commander in the Central African Republic told the US Ambassador on Sunday that Libya had provided "massive" logistic support to dissident leader Goukouni's forces. He also stated that the Libyans were heavily involved in planning attacks and helped direct artillery fire against Habre's forces. [redacted]

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According to the French Ambassador to Nigeria, French Cooperation Minister Nucci—who visited N'Djamena over the weekend—is satisfied that the extensive weapons and equipment available to Goukouni's forces are conclusive proof of Libyan complicity. Press reports state that Paris is airlifting 35 tons of military equipment—possibly including antitank weapons—to N'Djamena.

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**Comment:** Libya's behind-the-scenes support of the dissidents has been instrumental in their successes. Libyan leader Qadhafi learned from his forces' invasion of Chad in 1980 that such an all-out move can carry heavy political costs. As a result, he apparently decided that this time he should be more circumspect in aiding the rebels. [redacted]

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If the report of French arms shipments is accurate, it would indicate Paris has concluded that evidence of Libyan involvement is persuasive enough to justify increased aid to Habre. French officials would emphasize, however, that their actions were in response to African concerns and that they did not reflect any agreement with Washington on a joint strategy toward Qadhafi. [redacted]

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**EL SALVADOR: Political Progress**

*The first draft of the constitution has been completed, and the presidential elections are still scheduled for this fall.* [redacted]

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Constituent Assembly President D'Aubuisson says the draft will be submitted to the Assembly soon and possibly approved as early as mid-July. He also said it would not go into effect for several months in order to allow the Constituent Assembly to make any necessary amendments. [redacted]

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In addition, D'Aubuisson said his National Republican Alliance and the Christian Democratic Party have agreed on 13 November as the date for presidential elections. He believes elections for a new legislative assembly and municipal posts should be held in 1985 so that current deputies can serve the full three-year term provided for in the new constitution. [redacted]

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The rightist leader doubts that the Election Commission can prepare new voter registration lists in time for the balloting. If necessary, however, he is willing to accept an indelible ink system coupled with identification cards. Christian Democratic Party leaders reportedly are willing to go along with these arrangements. [redacted]

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D'Aubuisson said he probably would be his party's presidential candidate. He indicated his party and several smaller parties would form a conservative coalition. [redacted]

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**Comment:** Some key sections of the draft constitution dealing with land tenancy, judicial powers, and political eligibility may cause extended debate in the Assembly, and the date for approval could slip. [redacted]

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If the date for the elections remains firm, it would help avert a conflict with the harvest of cash crops and other staples, which normally is in full swing by December. Failure to produce new voter lists, however, probably would inspire partisan charges of fraud even if voter turnout is high. [redacted]

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**USSR: Access to Western Data Bases**

*The Soviets' access to some Western computer information networks enables them to acquire unclassified scientific and technical data that could have application to their industrial and military efforts.*

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**Comment:** Routine access to unclassified Western science and technical data bases could aid Soviet research on industrial and military programs. This development has an added impact in view of the Soviets' efforts to build a nationwide data transfer network by the year 2000.

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The network—the State System of Scientific and Technical Information—will provide major academic and scientific institutions with direct links to the Academy of Sciences. The Academy's internal network, which is to be completed by 1985, currently connects Moscow with Kiev, Vilnius, Riga, Leningrad, and the science city at Novosibirsk.

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Until recently the Soviets have had no mechanism to transmit beyond Moscow. With the Academy's network—and eventually with its nationwide data transmission network—they will be able to feed unclassified but covertly acquired Western data quickly and precisely into those scientific institutes and weapon facilities that can best exploit and immediately apply that information in support of their own research projects.

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**USSR: Andropov's Letters on INF**

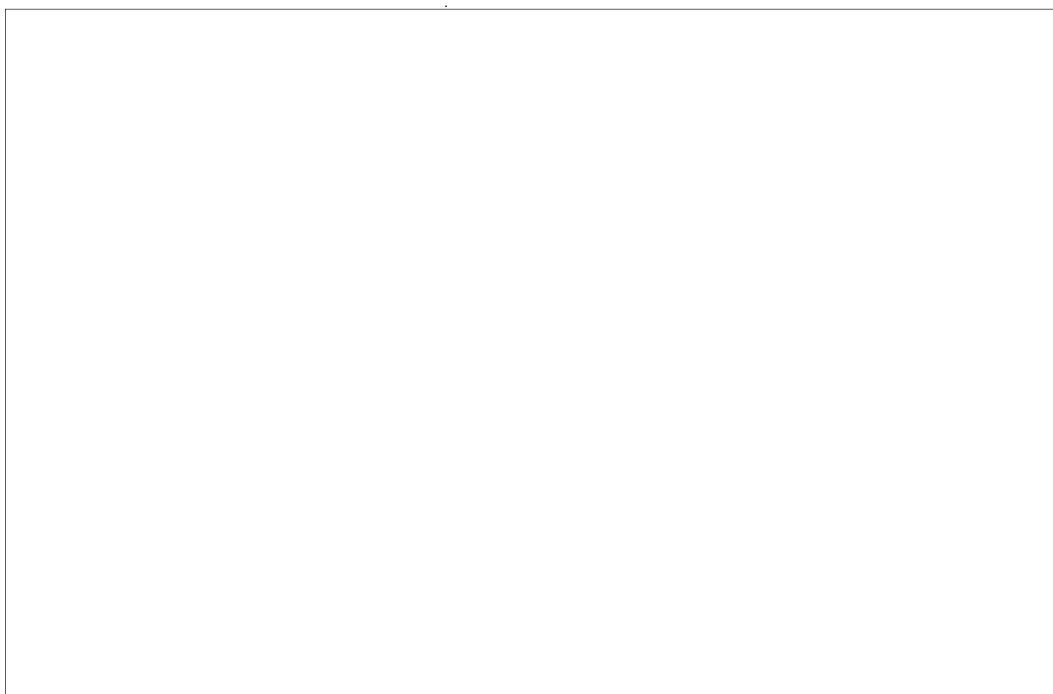
President Andropov last week sent letters to West German Chancellor Kohl, Italian Prime Minister Fanfani, Canadian Prime Minister Trudeau, and possibly other leaders threatening new and unspecified Soviet deployments if NATO's INF deployments proceed. A Canadian Foreign Ministry official says that the letter to Trudeau reiterated the warning made last month during the Williamsburg Summit and that it hinted anew at missile deployments in Eastern Europe. Meanwhile, Defense Minister Ustinov yesterday stated publicly that increased US "aggressiveness" called for greater military strength and heightened combat readiness, but he also stressed that this has to be done without "exaggerating" the current international situation. He claimed the government had a "mandate" from the Soviet people to take measures to counter INF deployments "jointly with its friends." 

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**Comment:** The letters anticipate the opening in Moscow today of a summit of Soviet and East European party leaders, which almost certainly will publicly affirm a Warsaw Pact consensus on the need to counter NATO deployments. They clearly were intended to influence the thinking of Kohl and other Western leaders as the Chancellor prepares for his discussions in Moscow next week. The letters and the summit may be designed to underscore a firm Soviet position on INF while allowing Andropov to take a less threatening approach with Kohl in person. 

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**JORDAN-PLO: Jordanian Statement**

An official statement issued by the Jordanian Government last week warned against the PLO becoming a tool of "certain Arab regimes." The statement implied that domination by Syria would effectively strip the PLO of the authority to represent the Palestinians granted at the Arab Summit in Rabat in 1974. [REDACTED]

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**Comment:** King Hussein may try to exploit dissension in the PLO to undermine the PLO's acceptance among the Arabs as the sole representative of the Palestinians. By implying that he would no longer be bound to honor the PLO's status, the King is suggesting that he might eventually move ahead unilaterally—or with moderate West Bank leaders—on the US peace initiative. Hussein would not take the risks involved in such action, however, without the explicit backing of other Arab states. [REDACTED]

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**USSR-PLO: Comments on PLO Dissension**

Moscow yesterday issued its first high-level public commentary on the PLO mutiny. *Pravda's* top Middle East commentator noted that Arab "figures" had joined the US and Israel in aggravating the PLO's disputes, cited PLO chief Arafat as the leader of Fatah, and criticized "unlawful" ways of solving Fatah's problems. On Saturday a TASS dispatch noted without comment that Arafat had been expelled from Syria. [REDACTED]

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**Comment:** *Pravda's* implicit response to Arafat's expulsion from Syria goes beyond earlier discreet support for his continued leadership. The allusion to Arab "figures" probably is a sign of Moscow's displeasure with both Assad and Libyan leader Qadhafi. The Soviets, however, are unlikely to engage in explicit criticism that could alienate Assad. They probably will continue to urge him to settle his differences with Arafat. [REDACTED]

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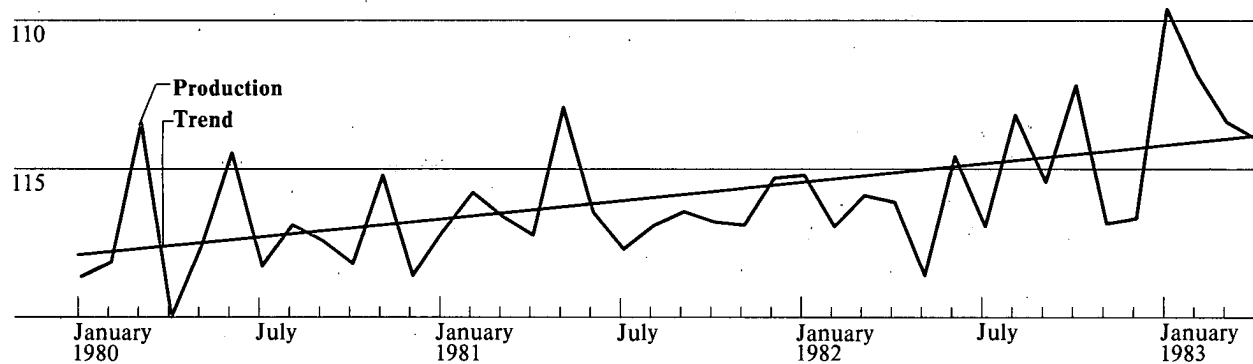
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## USSR: Industrial Production

Composite Index, Seasonally Adjusted

Index: 1978=100

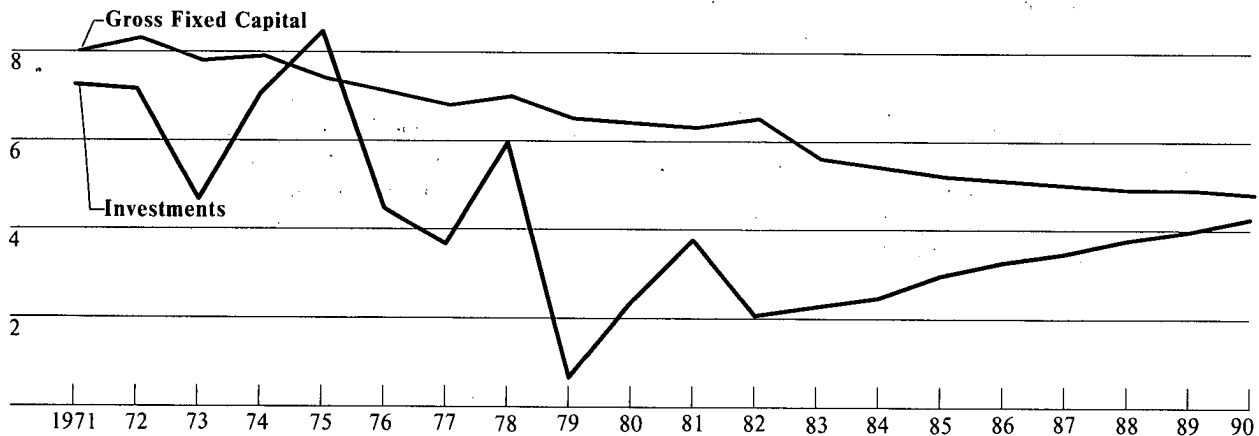
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## USSR: Growth of New Fixed Investment and Gross Fixed Capital Stock<sup>a</sup>

Percent

10



Data for 1983 based on Soviet plans. Data for 1984-90 are hypothetical and assume that investment growth is increased gradually from 2.5% in 1984 to 4.3% in 1990.

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## **Special Analysis**

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### **USSR: Economic Performance**

*Soviet reporting on the USSR's economic performance has been noticeably optimistic this year. The 5-percent rise in industrial production reported for the first quarter, however, reflects a continuation of a short-term industrial recovery that began in mid-1982 and that may not last through the end of this year. President Andropov's emphasis on discipline may have contributed to some improvement, but statistics on monthly industrial activity throughout 1982 and early 1983 suggest that the discipline campaign did not provide the major impetus for the upturn. The substantial rise in industrial output for the first quarter of this year was a reflection more of the unusually poor performance during the comparable period in 1982 than of a better performance.*

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Industrial production began to increase after the middle of 1982, following an unusually poor performance partly caused by widespread power outages that idled a number of plants. The Soviets have been plagued for several years by transportation disruptions, poor harvests, and bottlenecks in the supply of materials, and they probably took advantage of the increased production during last summer and fall to rebuild stocks of fuel, food, and industrial materials for the winter. Since 1979, Moscow has been especially concerned about the inadequacy of stocks and has issued at least two decrees calling for increases in the reserves of a myriad of products.

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Although industrial production dropped in November and December, perhaps as a result of the uncertainties following Brezhnev's death, the upswing continued in January. Mild weather enabled seasonally adjusted production figures for most industrial products to rise above the trend of the last four years. By April, however, monthly production of most of these products had returned to the trend of the last five years.

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This pattern of growth is not new. Industrial growth showed a similar rebound in early 1980, as compared with a dismal performance during severe weather in January and February of 1979. The rise was short lived, however, with the increase in production for the year falling below 3 percent.

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**Prospects for the Rest of 1983**

Industrial growth as a whole this year could again register less than 3 percent. If everything goes well, it could be higher. [ ]

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As a result of the mild winter, the economy probably has larger stocks of fuel, grain, and possibly food and industrial raw materials. This could promote a smoother flow of raw materials, energy, and intermediate products among the producing and consuming industries. This would enable industry to maintain growth somewhat above the recent trend. [ ]

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A good harvest of grain and other crops also would improve economic performance more broadly by increasing farm output and—indirectly—by improving the supply of raw materials for the food and light industries. Thus, an exceptionally strong showing for the farm sector and some upturn in industry could increase the growth in GNP to 3.5 to 4 percent. [ ]

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On the other hand, if agriculture turns in another poor performance and if the bottlenecks in the supply of industrial materials become worse, the growth in GNP could be as low as 2 percent. This was the level recorded in 1981 and 1982. [ ]

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**Gains More Political Than Economic**

A strong economic showing this year would help Andropov politically, but it would not be an indication of a higher growth rate over the longer term. Without some fundamental measures to induce sustained growth in productivity, long-term growth will have to depend on increases in labor and in plant and equipment. [ ]

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The labor force will increase by only small amounts each year during the 1980s, and the slowdown in investment that has occurred in recent years will continue to retard the growth of fixed capital. [ ]

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Labor, capital, and industrial raw materials will be in shorter supply in the 1980s than in the 1970s, and the long-term growth trend probably will decline. It will be likely to average 2 percent per year or less for the decade as a whole, as compared with 3.3 percent for the 1970s. [ ]

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## **Special Analysis**

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### **GUATEMALA: Pressures on the Government**

*Recent public criticism of President Rios Montt by an Army general has spurred serious opposition to his government from political party leaders, Catholic Church spokesmen, and private-sector representatives. Rumors of coup attempts or of the President's resignation are adding to the tense political atmosphere. Rios Montt probably maintains the support of most military officers, but a continuation of broad opposition over the next few months could divide the armed forces and threaten his rule.*

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Army General Echeverria, who may harbor presidential ambitions, has said the regime is illegal. He has called on the military to hold immediate elections for a civilian government and to get out of politics. According to Echeverria, the Protestant sectarianism of some government leaders is factionalizing society and alienating the Catholic majority.

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### **The Opposition Joins In**

Echeverria himself is not a threat and has no personal following in the Army, but his charges—which may have been promoted by an opposition party—have damaged armed forces' unity. Moreover, the signs of disarray in the military have encouraged Rios Montt's civilian opponents to press their attack on the government.

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Political leaders from four rightist parties are echoing Echeverria's call for a rapid return to an elected government. Guatemala's most powerful party, the ultrarightist National Liberation Movement, believes—probably correctly—that it would win an early election.

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The parties also apparently have begun a campaign to undermine Rios Montt's credibility through personal attacks. For example, they claim he is diverting government funds to promote his evangelical group.

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Catholic Church leaders, who are threatened by growing Protestant influence, recently issued a pastoral letter containing their first public criticism of the government. They decried the "progressive militarization" of the country by civilian defense forces and warned that Protestant "aggressiveness" could lead to a religious war. [ ]

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An official Church spokesman later said the Army should return the country to constitutional rule. In addition, a well-known Catholic activist has accused Rios Montt of undermining religious freedom and converting the presidency into "an evangelical pulpit." [ ]

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Meanwhile, businessmen and rightwing political parties continue to oppose Rios Montt's new tax reform package because they fear it will increase their tax burden. They also believe the President is not dealing effectively with the foreign exchange shortage or other economic problems. [ ]

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### **Rios Montt's Response**

The seriousness of the challenge to Rios Montt and rumors of a coup attempt forced him to place major military bases in Guatemala City on alert, as well as to make some uncharacteristic conciliatory moves. On a recent tour of those bases to shore up his support, he reiterated his willingness to submit his resignation if the officer corps demanded it. He also publicly offered to meet soon with business leaders and representatives of the Catholic Church. [ ]

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The President's response to the political parties, however, suggests that he hopes to buy time while trying to divide them.

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Rios Montt also has offered to create a special chamber for the parties in the Council of State on the grounds that this would enable them to engage in a regular dialogue with the government. The parties' involvement in the Council would give them little influence, however, and it presumably would encourage them to mute their personal attacks on the President. [ ]

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### **Prospects**

In the short term, Rios Montt's support in the military and his efforts to compromise with the opposition probably will enable him to weather the challenge. Although some officers agree with the

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concerns of his critics, many recognize that the President's opponents only want him removed for their own parochial institutional reasons. In addition, with no strong military candidate to replace Rios Montt, some officers probably are concerned that his removal would prompt more government turnovers. [REDACTED]

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In the next several months, however, legitimate opposition to Rios Montt's policies and attempts to undermine his government are likely to intensify and will have a debilitating effect. Although he probably has enough military backing to thwart a coup attempt now, the armed forces over time will question more strongly their support of a President under fire from all important political sectors. [REDACTED]

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Nevertheless, Rios Montt almost certainly could undercut much of the political parties' criticism by advancing the date of constituent assembly elections now scheduled for late 1984. By doing so, he also would be able to mobilize a huge turnout of peasant voters, thereby demonstrating popular support for him and his political program. [REDACTED]

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